

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA :
v. : **Criminal No. 16-130-01**
CHARLES M. HALLINAN :

ORDER

AND NOW, this _____ day of _____, 2024, upon
consideration of the government’s motion to vacate the Judgment and Tenth Partial Final Order
of Forfeiture in the above-captioned case, and, for the reasons set forth in the motion, the Court
finds the following:

WHEREAS, the government sought forfeiture of certain funds in which Defendant held an interest and that were placed in escrow since October 2017 when Experian Holdings, Inc. (“Experian”) purchased all outstanding shares of Clarity Services, Inc. (the “Clarity Funds”). *See* Fourth Preliminary Order of Forfeiture for Substitute Assets and Additional Property Subject to Forfeiture (ECF No. 720). Linda Hallinan and her minor daughter L.B.S. filed a claim challenging the forfeiture of some of the Clarity Funds, which the District Court denied, and the District Court entered final orders of forfeiture forfeiting the Clarity Funds to the United States. *See* Judgment and Fifth Partial Final Order of Forfeiture (ECF No. 887); and Judgment and Eighth Partial Final Order of Forfeiture (ECF No. 950) (together, the “Clarity Funds Final Orders”). Linda Hallinan and L.B.S. appealed the Clarity Funds Final Orders to the United States Court of Appeals for the Third Circuit (Nos. 21-2543 (dismissed), 21-2643, 22-1953, 22-2328); and

WHEREAS, as an alternative to forfeiting the Clarity Funds, the government pursued forfeiture of the Clarity stock, and on April 8, 2022, the District Court entered the Sixth Preliminary Order of Forfeiture for Substitute Assets and Additional Property Subject to Forfeiture forfeiting 120 shares of Clarity stock formerly owned by Linda Hallinan; and 10 shares of Clarity stock formerly owned by L.B.S. (referred to hereafter as “the L. Hallinan Shares”); and

WHEREAS, the government and other interested parties entered into a written settlement agreement (the “Settlement Agreement”) (ECF No. 940-1) which was approved by the District Court on April 8, 2022 (ECF No. 949); and

WHEREAS, on July 24, 2023, this Court entered the Judgment and Tenth Partial Final Order of Forfeiture forfeiting the L. Hallinan Shares to the United States (referred to hereafter as “the L. Hallinan Shares Final Order”) ECF No. 979; and

WHEREAS, on November 6, 2023, the United States Court of Appeals for the Third Circuit issued a mandate affirming the District Court’s Clarity Funds Final Orders. ECF No. 985; and

WHEREAS, on December 14, 2023, this Court entered the Judgment and Twelfth Partial Final Order of Forfeiture forfeiting a total of \$3,699,150.12 from the Second Hallinan Escrow Account; a total of \$196,725.02 from the Special Indemnity Escrow Account; and a total of \$11,100.47 from the General Indemnity Escrow Account. Pursuant to the Eighth Partial Final Order of Forfeiture: a total of \$1,475,437.61 from the Special Indemnity Escrow Account; and a total of \$83,253.52 from the General Indemnity Escrow Account. Pursuant to the Fifth Partial Final Order of Forfeiture: a total of \$5,519,475.77 from the Second Hallinan Escrow Account; a

total of \$1,278,712.61 from the Special Indemnity Escrow Account; and a total of \$72,153.05 from the General Indemnity Escrow Account. ECF No. 987; and

WHEREAS, on February 5, 2024, pursuant to the Twelfth Partial Final Order of Forfeiture and the Settlement Agreement, the government received three (3) wires totaling \$12,336,351.93 from the Escrow Agent; and

WHEREAS, the government accepts these funds in satisfaction of the Settlement Agreement and the L. Hallinan Shares Final Order, and the government releases and relinquishes to Experian its claim to the L. Hallinan Shares under the L. Hallinan Shares Final Order.

NOW, THEREFORE, it is hereby ORDERED as follows:

1. The Motion of the United States of America to Vacate Judgment and Tenth Partial Final Order of Forfeiture is GRANTED.
2. The L. Hallinan Shares Final Order (ECF No. 979) is hereby VACATED.
3. The government accepts the sum of \$12,336,351.93 in satisfaction of the Settlement Agreement and the L. Hallinan Shares Final Order, and the government releases and relinquishes to Experian its claim to the L. Hallinan Shares; and
4. The Clerk of Court shall provide a certified copy of this Order to counsel for the government (Attn: Lauren R. Baer, Assistant U.S. Attorney).

HONORABLE NITZA I. QUIÑONES ALEJANDRO
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA :
:
v. : **Criminal No. 16-130-01**
:
CHARLES M. HALLINAN :

**MOTION OF UNITED STATES OF AMERICA TO VACATE
JUDGMENT AND TENTH PARTIAL FINAL ORDER OF FORFEITURE**

The United States of America, by its attorneys, Jacqueline C. Romero, United States Attorney for the Eastern District of Pennsylvania, and Mark B. Dubnoff and Lauren R. Baer, Assistant United States Attorneys, respectfully moves for an order to vacate the Judgment and Tenth Partial Final Order of Forfeiture dated July 21, 2023 (ECF No. 979) in the above-captioned case. In support of the motion, the government avers as follows:

1. The government sought forfeiture of certain funds in which Defendant held an interest and that were placed in escrow since October 2017 when Experian Holdings, Inc. (“Experian”) purchased all outstanding shares of Clarity Services, Inc. (the “Clarity Funds”). *See* Fourth Preliminary Order of Forfeiture for Substitute Assets and Additional Property Subject to Forfeiture (ECF No. 720). Linda Hallinan and her minor daughter L.B.S. filed a claim challenging the forfeiture of some of the Clarity Funds, which the District Court denied, and the District Court entered final orders of forfeiture forfeiting the Clarity Funds to the United States. *See* Judgment and Fifth Partial Final Order of Forfeiture (ECF No. 887); and Judgment and Eighth Partial Final Order of Forfeiture (ECF No. 950) (together, the “Clarity Funds Final Orders”). Linda Hallinan and L.B.S. appealed the Clarity Funds Final Orders to the United

States Court of Appeals for the Third Circuit (Nos. 21-2543 (dismissed), 21-2643, 22-1953, 22-2328).

2. As an alternative to forfeiting the Clarity Funds, the government pursued forfeiture of the Clarity stock, and on April 8, 2022, the District Court entered the Sixth Preliminary Order of Forfeiture for Substitute Assets and Additional Property Subject to Forfeiture forfeiting 120 shares of Clarity stock formerly owned by Linda Hallinan; and 10 shares of Clarity stock formerly owned by L.B.S. (referred to hereafter as “the L. Hallinan Shares”) (ECF No. 951).

3. The government and other interested parties entered into a written settlement agreement (the “Settlement Agreement”) (ECF No. 940-1) which was approved by this Court on April 8, 2022 (ECF No. 949).¹

¹ Pursuant to the terms of the Settlement Agreement, the parties agreed to the following:

(3) Agreement Regarding LH Shares Final Order. The United States agrees to pursue a Partial Final Order of Forfeiture to forfeit the L. Hallinan Shares to the United States (the “LH Shares Final Order”). The United States agrees that the LH Shares Final Order that it seeks will be stayed pending any appeal of the LH Shares Final Order and it will request that the Court include this stay in the LH Shares Final Order. The Non-Governmental Parties agree not to oppose the United States’ motions for an LH Shares Preliminary Order, an LH Funds Final Order (defined below), or an LH Shares Final Order, provided that they are consistent with this Settlement Agreement. Once the LH Shares Final Order is final and non-appealable, the Parties agree, pursuant to Section 9.5(g)(10) of the Purchase Agreement, that the United States will move to lift the stay of the LH Shares Final Order (which the Non- Governmental Parties agree not to oppose) and Experian and the Representatives will instruct the Escrow Agent to disburse to the Government the L. Hallinan Funds as promptly as allowable under the Purchase Agreement and the Second Hallinan Escrow Agreement, dated October 6, 2017. The Government agrees that it will accept the L. Hallinan Funds in satisfaction of the LH Shares Final Order and in exchange for the Government releasing and relinquishing to Experian its claim to the L. Hallinan Shares under the LH Shares Final Order.

4. On July 24, 2023, this Court entered the Judgment and Tenth Partial Final Order of Forfeiture forfeiting the L. Hallinan Shares to the United States (hereinafter “L. Hallinan Shares Final Order”) (ECF No. 979).

5. On November 6, 2023, the United States Court of Appeals for the Third Circuit issued a mandate affirming the District Court’s Clarity Funds Final Orders (ECF No. 985).

6. On December 14, 2023, this Court entered the Judgment and Twelfth Partial Final Order of Forfeiture forfeiting a total of \$3,699,150.12 from the Second Hallinan Escrow Account; a total of \$196,725.02 from the Special Indemnity Escrow Account; and a total of \$11,100.47 from the General Indemnity Escrow Account. Pursuant to the Eighth Partial Final Order of Forfeiture: a total of \$1,475,437.61 from the Special Indemnity Escrow Account; and a total of \$83,253.52 from the General Indemnity Escrow Account. Pursuant to the Fifth Partial Final Order of Forfeiture: a total of \$5,519,475.77 from the Second Hallinan Escrow Account; a total of \$1,278,712.61 from the Special Indemnity Escrow Account; and a total of \$72,153.05 from the General Indemnity Escrow Account (ECF No. 987).

7. On February 5, 2024, pursuant to the Twelfth Partial Final Order of Forfeiture and the Settlement Agreement, the government received three (3) wires totaling \$12,336,351.93 from the Escrow Agent.

8. The government accepts these funds in satisfaction of the Settlement Agreement and the L. Hallinan Shares Final Order, and the government releases and relinquishes to Experian its claim to the L. Hallinan Shares under the L. Hallinan Shares Final Order.

WHEREFORE, for the reasons explained above, the government requests that this Court grant the motion and enter the attached Order.

Respectfully submitted,

JACQUELINE C. ROMERO
United States Attorney

/s/ Lauren R. Baer
LAUREN R. BAER
Assistant United States Attorney

Date: February 14, 2024

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that a true and correct copy of the MOTION OF UNITED STATES OF AMERICA TO VACATE JUDGMENT AND TENTH PARTIAL FINAL ORDER OF FORFEITURE was served via ECF upon:

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Date: February 14, 2024